

was issued making it necessary that the Minister of Agriculture should be consulted and his consent obtained before shipments went forward to America. On receipt of approval the deal was finally closed. It was considered necessary that New Zealand should be represented, owing to the condition clause, and so it was decided that some one should be sent with the consignment who was possessed with a sound knowledge of fruit and the carriage of fruit. Consequently the advisory committee requested the Government to allow one of their Orchard Inspectors to go to South America. It was at first suggested that Mr. Campbell should go, but he was unable to do so, and Mr. Rice went. He has now returned to New Zealand, and, although his report is not yet available for publication, I think it is but right that I should give a few quotations from it. He tells us plainly that it would be suicidal to carry on the shipping of New Zealand fruit under ordinary cargo conditions to South America. In the past we have not asked for refrigerating conditions, but Mr. Rice says such conditions are essential, and that f.o.b. sales are not possible until it can be proved to South American buyers that we can land the fruit in good condition. His report is conclusive in that we have got to ship under refrigerated conditions. Regarding the South American market, we have known from various sources that the capacity of that market now, and until the New Zealand trade becomes established again, is approximately fifty thousand cases. How is any restriction going to be placed on this market without control? I venture to say that last season, if the Government had not assisted the industry, more than fifty thousand cases would have been sent to South America, and consequently the market would have been ruined by the shippers themselves—a great future industry would have been destroyed, and great losses sustained by growers. Clearly, we must have some form of control. The absence of control would have meant open consignments, which certainly would have acted against the shippers themselves. Our fruit must be landed in good order before f.o.b. sales are possible, otherwise South American buyers will not touch it. There is strong competition there, and they want the best. I should state that Chile before the war was not a great apple-producing country, but at the present time they are delivering large shipments and selling under better conditions than New Zealand. We are already meeting with strong competition from North America, and the Americans have perfect shipping conditions with up-to-date refrigerating-chambers. They can land their fruit by a special line of boats on the Buenos Aires wharves, and put it right into the cool stores without any loss of time. New Zealand fruit has to be discharged at Montevideo owing to the fact that New Zealand vessels carrying fruit are of too deep a draught to go up to the wharves, and our fruit has to be lightered 120 miles. One of the shipments that went to Buenos Aires last season was nine days from the time of being discharged at Montevideo until it was placed in the refrigerating-chambers at Buenos Aires, which was caused owing to the number of saints' days which usually occur in these Latin countries. I would like to say a word on the work of the federation in connection with export. At the present time we are handling the whole of the refrigerated space from New Zealand. On behalf of the various districts we book the necessary space with the oversea shipping companies. This applies to Otago. With the exception of one shipment last season the Otago fruit comes up to Wellington, and we complete the chamber here. For the other provinces we have arranged for cool storage in Wellington. We have handled something like 205,000 cases during the past season; we have arranged for the insurance on all shipments. Under arrangements with the bank we finance these shipments. This last season we have made an advance of 10s. per case, which would not be possible in the absence of the Government guarantee. I regretted to note yesterday that one of the brokers' agents said that he did not consider the Government guarantee was of much assistance. I will explain what is done with the Government guarantee. Early in the season, about September, the associations approach the banks in their respective localities for advances to enable them to buy cases, packing-materials, and to provide wages for their packing-shed employees until the first advances are available. Without this I think it can be safely said that the total shipments from New Zealand during the past season would have been considerably less than what they were. Prior to the Government guarantee the associations found great difficulty in arranging for any finance, but now that difficulty has been removed and the banks do what is needful, having the guarantee behind them. We ship the fruit on behalf of the growers, and we attend to all matters in connection with shipments. We pay all charges, and we attend to the distribution of surpluses when they come to hand. Yesterday it was stated that the brokers would finance these shipments. They have done so in the past. Their finance is lower than what can be arranged under the Government guarantee. We do not want to get into the position that a large number of shippers are in in Australia and Tasmania at the present time—that is, being in debt to the agents. There are a large number of shippers in in Australia and Tasmania who cannot say what they will do with their fruit, their position being such that they have got to ship it to the agents. Now, that is not a good position to be in. It is true in the past two years that we have made claims upon the Government guarantee, and we have received some criticism over it—more than from anything else we have tackled. Our criticism is mainly from the growers for whom we are acting. They cannot see when the shipments are finished that we cannot put in a statement to the Government and say, "We want the money, and let the Government pay out." It is essential that the whole of the growers' fruit be handled through one agency. It was also stated yesterday by an agent for the brokers that they received a rebate commission for the work they did in New Zealand. I ask, What work do the agents do? I can say with confidence that the federation does the work, and the agent collects the commission. We charge the agent $\frac{1}{2}$ d. a case for the work that we do. Captain Hull receives as a rebate commission from London 2 per cent. on the gross returns, and 1d. per case. Now, all that is for doing nothing. There are, however, a few letters to write, or they may put an advertisement into the papers that they want fruit for sale. Why should not the agent be cut out, and the 1d. per case and the 2 per cent. which is rebated to New Zealand saved? The Control Board could do that work. The federation do a large portion of it now. Fortunately, some measure of control has been possible under the Government guarantee, and I venture to state that without this control the New Zealand